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Proposed Lead Counsel for the Class*

*Counsel for Keith A. Ovitt and  
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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

IN RE STEC, INC. SECURITIES LITIGATION	) Case No.: 09-CV-1304-JVS (MLGx)
	)
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	)
	<b>LEAD PLAINTIFF MOVANTS ARMAN RASHTCHI AND KEITH A. OVITT'S REPLY MEMORANDUM IN SUPPORT OF THEIR MOTION FOR APPOINTMENT AS LEAD PLAINTIFFS</b>
	)
	)
	)
	Judge: Hon. James V. Selna
	Date: February 8, 2010
	Time: 1:30 p.m.
	Courtroom: 10C
	)

1 Arman Rashtchi (“Mr. Rashtchi”) and Keith A. Ovitt (“Mr. Ovitt”)  
 2 respectfully submit this reply memorandum in further support of their motions for  
 3 appointment as Lead Plaintiffs in the above-captioned actions, and for approval of  
 4 their selection of Lead Counsel for the Class. Messrs. Rashtchi and Ovitt  
 5 collectively suffered approximately \$3.6 million in losses on their investment in  
 6 STEC securities and, as a result, have by far the largest financial interest in this  
 7 litigation.<sup>1</sup> Accordingly, Messrs. Ovitt and Rashcthi should be appointed as Co-  
 8 Lead Plaintiffs under the Private Securities Litigation Reform Act of 1995  
 9 (“PLSRA”), 15 U.S.C. § 77z-1(a)(3) and 15 U.S.C. § 78u-4(a)(3)(B), as amended.

10 None of the eight other movants who initially filed motions to be appointed  
 11 Lead Plaintiff have articulated any opposition to the joint appointment of Mr.  
 12 Rashtchi and Mr. Ovitt as Lead Plaintiffs, or to the appointment of their selected  
 13 law firms, Bernstein Litowitz Berger & Grossmann LLP (“Bernstein Litowitz”)  
 14 and Kahn Swick & Foti, LLC (“KSF”), as Co-Lead Counsel for the Class. Indeed,  
 15 of those eight movants or movant groups, seven have now either withdrawn or  
 16 otherwise conceded that they lack a greater financial interest than either Mr. Ovitt  
 17 or Mr. Rashtchi.<sup>2</sup>

18 The only remaining movant – the Firefighters’ Pension System of the City of  
 19 Kansas City, Missouri, Trust – filed no response to the motions of Mr. Ovitt or Mr.  
 20 Rachtchi on the January 19 response deadline. As a result, Messrs. Rashtchi’s and  
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22 <sup>1</sup> Individually, Messrs. Rashtchi and Ovitt each have losses larger than any of the other eight  
 23 competing movants. As detailed in their respective initial motions for appointment as Lead  
 24 Plaintiff, Mr. Rashtchi’s losses are approximately \$1,914,484.32 and Mr. Ovitt’s losses are  
 approximately \$1,678,173.11.

25 <sup>2</sup> Specifically: the Hester Family, Mr. Jonathan Fischer, the State of Nebraska, and the Port  
 Authority of Allegheny County Retirement and Disability Allowance Plan for Employees  
 Represented by Local 85 of the Amalgamated Transit Union and the New Orleans Employees’  
 Retirement System have conceded that they do not claim the largest financial interest in the  
 litigation, and are not the presumptive lead plaintiff, *see Dkts. 42, 43, 49, 55*. The Building  
 Trades United Pension Trust Fund and the Electrical Workers Pension Fund, Local 103  
 I.B.E.W. (the “Pension Fund Group”), Mr. Keith Johnson, and the STEC Inc. Investor Group  
 have withdrawn their motions, *see Dkts. 45, 47, 53*.

1 Ovitt's request to be appointed Lead Plaintiffs is effectively unopposed.<sup>3</sup> Because  
 2 the losses suffered individually by Messrs. Rashtchi and Ovitt are so much larger  
 3 than those of the other movants, and because both Mr. Ovitt and Mr. Rashtchi  
 4 satisfy the adequacy and typicality requirements of Rule 23 of the Federal Rules of  
 5 Civil Procedure, any such opposition would be moot.

6 Therefore, for the foregoing reasons and for the reasons set forth in their  
 7 prior submissions (*see* Dkt. Nos. 18-21, 24, 50-51), Mr. Rashtchi and Mr. Ovitt  
 8 respectfully request that this Court: (1) appoint Mr. Rashtchi and Mr. Ovitt to  
 9 serve as Co-Lead Plaintiffs in this action; (2) approve Mr. Rashtchi's and Mr.  
 10 Ovitt's selection of Co-Lead Counsel for the Class; and (3) grant such other and  
 11 further relief as the Court may deem just and proper.

12 DATED: January 25, 2010

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24 <sup>3</sup> One movant, the State of Nebraska, while conceding that it does not have the largest financial  
 25 interest in this litigation, states in passing that Mr. Rashtchi may be subject to "unique defenses"  
 26 and/or "conflicting interests," but fails utterly to substantiate these accusations with proof. *See*  
 27 Dkt. No 49, p. 1; *see also* 15 U.S.C. § 78u-4(a)(3)(B)(iii)(II) (presumption that movant with  
 28 largest loss should be appointed lead plaintiff "may be rebutted only upon proof"). Indeed, the  
 State of Nebraska itself acknowledges that "proof positive would be required" to challenge Mr.  
 Rashtchi's appointment as Lead Plaintiff, and admits that it has no such proof. *See* Dkt. No 49, p.  
 1. For that reason, the commentary by the State of Nebraska does not merit consideration.

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17 *Counsel for Keith A. Ovitt and Proposed*  
18 *Lead Counsel for the Class*

1                   **CERTIFICATE OF SERVICE**

2                   I hereby certify that the foregoing document was filed through the ECF  
3 system and will be sent electronically to the registered participants as identified on  
4 the Notice of Electronic Filing (NEF), and paper copies will be sent to those  
5 indicated as non-registered participants on January 25, 2010.

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